Items	Annual Rate of Inflation (point to point)%		
	1997-98	1998-99	1999-2000*
Primary Prod.			
Food Articles	4.0	10.1	0.4
Foodgrains	-2.7	15.4	2.4
Pulses	5.2	0.0	0.7
Fruits & Veg.	3.6	12.7	-3.2
Milk	11.1	6.4	4.8
Egg, Fish & Meat	5.2	3.6	2.7
Condiments & Speices	19.2	13.2	-7.0
Tea	40.8	-24.5	5.1
Coffee	8.0	-21.6	-20.0
Manufactured Prod.			
Food Products	5.5	10.7	-2.1
Essential Comm.	6.2	4.6	0.0

*as on February 12, 2000

Percentage of NPA of SBI

1283. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) what is the NPA in absolute terms of State Bank of India;

(b) what is the percentage of NPA to the total capital employed and also percentage of total lending; and

(c) in what manner Government propose to reduce such huge NPA in the largest bank of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) and (b) Net NPAs of State Bank of India (SBI) as on 31.3.99 were Rs. 5905.96 crore which is 7.18 per cent to the total net advances. SBI has reported that their net NPA to total capital employed i.e. total assets is 2.65% as on 31.03.1999.

(c) Reserve Bank of India/Government of India as well as public sector banks including State Bank of India, have taken a number of steps not only to check the fresh incidence of NPAs but also to ensure recovery of NPAs. These are:

(i) In order to prevent the accretion of fresh NPAs banks have taken steps to upgrade the credit appraisal skills at different levels.

(ii) All public sector banks have documents of loan recovery policy prepared and duly vetted by Board of Directors.

(iii) Banks are attempting to reduce their NPAs through negotiated settlements to ensure maximum recovery at minimum cost.

(iv) Recovery cells have been set up at Head offices under a General Manager and branch wise targets have been fixed by banks. Performance of branches in recovery is monitored by Head Offices on monthly basis and the Boards of Directors are kept informed of the progress on quarterly basis.

(v) Debt Recovery Tribunals at Calcutta, Delhi, Bangalore, Ahmedabad, Chennai, Guwahati, Jaipur, Patna, Mumbai, Jabalpur, Hyderabad and Ernakulam and Appellate Tribunals in Mumbai and Chennai have been set up so far to assist speedy recoveries of banks dues.

(vi) Settlement advisory committees headed by retired Judges have been set up by nine banks to examine and recommend compromise proposals in respect of large advances to the competent authorities for their consideration.

(vii) Settlement Advisory committees of executives have been set up as per guidelines issued by RBI to liquidate more than three year old NPAs of SSI Sector and small loans by compromise settlement.

(viii) In order to further expedite the recovery mechanism, the Recovery of Debts Due to banks and Financial Institutions Act, 1993 has been amended by promulgation of an ordinance on 17th January, 2000.

(ix) The ordinance seeks to, *inter-alia*, provide for set-off and counter claims, appointment of receivers and commissioners by the Tribunals, appointment of more than one recovery officer and empowering the Tribunals to distribute the sale proceeds among secured creditors in

accordance with the provisions of Section 529A of Companies Act, 1956.

(x) RBI had recently held meeting with the official of State Bank of India and concerns regarding high level of Bank NPAs were conveyed to them. The Bank has indicated that with the recovery in economic activities in recent months, the NPAs position is expected to improve.

Banks without Chairman

1284. SHRIMATI JAYAPRADA NAHATA:
SHRI AMAR SINGH:

Will the Minster of FINANCE be pleased to state:

(a) what are the names of Public Sector Banks which are still without its Chairman alongwith the reasons for keeping those posts vacant; and

(b) by when, these are likely to be filled up?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) At present the post of Chairman and Managing Director is vacant in Canara Bank, Bank of Baroda, UCO Bank, Dena Bank and Punjab National Bank. Action has already been initiated to fill up these vacancies.

Alternative scheme for distribution of Central Taxes recommended by 10th Finance Commission

1285. SHRI K.C. KONDAIAH: Will the Minster of FINANCE be pleased to state:

(a) whether the 10th Finance Commission has recommended for alternative scheme for distribution of Central Taxes to the States at enhanced share;

(b) if so, whether State Government have desired distribution of enhanced share during year 2000-01; and

(c) if so, the steps taken/proposed to be taken in that regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) and (c) The Government has approved in principle the Alternative Scheme of devolution of Central Taxes recommended by the Tenth Finance Commission subject to certain modifications. The enabling Constitution Amendment Bill is being introduced in the Lok Sabha.